

Agency 699

Community and Technical College System**Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	13,927.2	1,033,854	870,301	1,904,155
Total Maintenance Level	15,374.0	1,104,199	946,305	2,050,504
Difference	1,446.8	70,345	76,004	146,349
Percent Change from Current Biennium	10.4%	6.8%	8.7%	7.7%
Performance Changes				
Enrollment Increase	94.5	25,935		25,935
Adult Basic Education		4,000		4,000
Pension Gain Sharing #		(2,160)	(477)	(2,637)
Projected Unit Credit - OSA #		(11,097)	(2,639)	(13,736)
Pension Savings in Salary Items #		(118)	(55)	(173)
Washington Public Employee Association Cost of Living Adjustment/Salary Survey		4,568	1,902	6,470
Super Coalition Health Benefits		8,196	2,197	10,393
Washington Federation of State Employees Cost of Living Adjustment/Salary Survey		5,251	1,962	7,213
Classification Revisions		119	6	125
Nonrepresented Employees Cost of Living Adjustment		18,226	3,351	21,577
Nonrepresented Employees Health Benefit Change		3,091	409	3,500
Nonrepresented Salary Survey Implementation		635	204	839
General Inflation		(1,284)	(4,309)	(5,593)
Faculty Increments		1,800		1,800
Part-Time Faculty Equity		1,800		1,800
Maintenance and Operations Shift		(5,048)		(5,048)
Subtotal	94.5	53,914	2,551	56,465
Total Proposed Budget	15,468.5	1,158,113	948,856	2,106,969
Difference	1,541.3	124,259	78,555	202,814
Percent Change from Current Biennium	11.1%	12.0%	9.0%	10.7%
Total Proposed Budget by Activity				
Academic Transfer Instruction (State Supported)	4,333.7	375,881	127,317	503,198
Administration (College and System)	1,879.0	183,917	139,203	323,120
Basic Skills Education (State Supported)	1,036.3	94,692	32,501	127,193
Community Services-Contract Funded Courses	2,422.5		291,427	291,427
Developmental Education (State Supported)	849.3	68,058	25,074	93,132
Student-Funded Courses	720.1		186,527	186,527
Workforce Education (State Supported)	4,227.8	384,089	135,814	519,903
Compensation Cost Adjustment		51,476	10,993	62,469
Total Proposed Budget	15,468.5	1,158,113	948,856	2,106,969

HIGHER EDUCATION

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Enrollment Increase

This increased investment in state-supported general enrollments fully funds the participation rate: The number of new enrollment slots needed to keep pace with population growth. Funding is provided for 1,644 new student FTEs in Fiscal Year 2006 and 1,899 new student FTEs in Fiscal Year 2007 for a total of 3,533 new student FTEs. A minimum of 100 of these FTEs must be reserved for high-demand fields. The enrollments provided must expand access for new students and may not be used for students currently enrolled.

Adult Basic Education

Funding is provided to strengthen and expand Adult Basic Education programs at our state community and technical colleges. Expanding these programs, which generally charge little or no tuition, will help the higher education system reach individuals who have not traditionally been served, and will help expand Washington's workforce. Programs like English as a Second Language and adult literacy programs help individuals get and keep jobs, and help businesses find the employees they need. Funds may also be used to integrate basic education with vocational or workforce training programs.

Pension Gain Sharing #

Prefunding for pension gain sharing is removed from the budget.

Projected Unit Credit - OSA #

This item reflects moving the Public Employees' Retirement System, the Teachers' Retirement System, and the School Employees' Retirement System from the aggregate actuarial method to the projected unit credit method, using assumptions and methods provided by the Office of the State Actuary.

Pension Savings in Salary Items #

The cost of providing cost of living and other salary adjustments is reduced to reflect the lower pension contribution rates under the projected unit credit method.

Washington Public Employee Association Cost of Living Adjustment/Salary Survey

The Governor's Office of Labor Relations negotiated this contract with the Higher Education Washington Public Employee Association. It provides a cost-of-living adjustment of 3.2 percent on July 1, 2005, and 1.6 percent on July 1, 2006. Also funded is the implementation of the Department of Personnel's 2002 Salary Survey for those classifications that are more than 25 percent behind market.

Super Coalition Health Benefits

The Governor's budget assumes the same health benefit package and employee cost-sharing in the 2005-07 Biennium for both represented and non-represented employees. The goal is to hold the average employee contribution to 12 percent of the total cost of the medical benefit. The funding rates for represented employees were established through collective bargaining in September 2004 and will be \$663/month for Fiscal Year (FY) 2006 and \$744/month for FY 2007. An updated financial forecast for the Insurance Account indicates additional resources will be available, allowing the funding rate for non-represented employees to be lower than expected, \$663/month for FY 2006 and \$528/month for FY 2007. The actual state cost paid from the Insurance Account per comparable represented/non-represented employee will be the same.

Washington Federation of State Employees Cost of Living Adjustment/Salary Survey

The Governor's Office of Labor Relations negotiated this contract with the Higher Education Washington Federation of State Employees. It provides a cost-of-living adjustment of 3.2 percent on July 1, 2005, and 1.6 percent on July 1, 2006. Also funded is the implementation of the Department of Personnel's 2002 Salary Survey for those classifications that are more than 25 percent behind market.

Classification Revisions

This provides funding to phase-in classification consolidation and revisions required by the Public Service Reform Act of 2002. Group Two and Group Three of the Department of Personnel's classification plan would be affected.

Nonrepresented Employees Cost of Living Adjustment

The Governor provides a cost-of-living adjustment of 3.2 percent on July 1, 2005, and 1.6 percent on July 1, 2006 for non-represented employees.

Nonrepresented Employees Health Benefit Change

The Governor's budget assumes the same health benefit package and employee cost-sharing in the 2005-07 Biennium for both represented and non-represented employees. The goal is to hold the average employee contribution to 12 percent of the total cost of the medical benefit. The funding rates for represented employees were established through collective bargaining in September 2004 and will be \$663/month for Fiscal Year (FY) 2006 and \$744/month for FY 2007. An updated financial forecast for the Insurance Account indicates additional resources will be available, allowing the funding rate for non-represented employees to be lower than expected, \$663/month for FY 2006 and \$528/month for FY 2007. The actual state cost paid from the Insurance Account per comparable represented/non-represented employee will be the same.

Nonrepresented Salary Survey Implementation

This implements the Department of Personnel's 2002 Salary Survey for those classifications that are more than 25 percent behind market.

Faculty Increments

Funding is provided to pay salary increments for community and technical college faculty who qualify through continuing education and/or experience. While many faculty qualify, these increments depend on appropriations in order to reach the people who earned them. This investment will keep the best faculty at our community and technical colleges, and reward those who improve their skills.

Part-Time Faculty Equity

Currently, part-time faculty at community and technical colleges receive less than 60 percent of what full-time faculty make for the same number of hours taught. This investment will increase the part-time salary schedule to close that gap, and keep more part-time instructors on the job.

Maintenance and Operations Shift

In addition to the fund shift that occurred in the 2003-05 biennial budget, an additional amount of the maintenance and operations budget for the community and technical colleges is moved from the General Fund to the Education Construction Account.

ACTIVITY DESCRIPTIONS**Academic Transfer Instruction (State Supported)**

Academic Transfer education provides a cost-effective way for many students to begin attainment of a baccalaureate degree. Transfer students primarily attain an Associates in Arts or Associates in Science degree. Courses of study include: Business, Social Sciences, Mathematics, Natural Sciences, Humanities. (Institutions of Higher Education-Operating Fees Account-Nonappropriated)

Administration (College and System)

Administration of the Community and Technical College System includes Institution Management, Fiscal Operations, General Support Services (administrative data processing and employee personnel and records), Logistical Services (procurement and the movement and control of materials), Community Relations and Development (the maintenance of goodwill relationships with the general public, alumni, or other constituents), and the State Board office.

Basic Skills Education (State Supported)

Basic skills education provides instruction in Adult Basic Education (ABE), English as a Second Language (ESL), and General Education Development (GED) test preparation. Basic skills programs serve students who do not have a high school diploma or equivalent level of education. ABE focuses on students with less than ninth grade reading, writing, and math skills; GED Preparation is for students lacking a high school diploma; and ESL provides language skills for immigrants, refugees, and native Washington citizens with limited English proficiency. (Institutions of Higher Education-Operating Fees Account-Nonappropriated)

Community Services-Contract Funded Courses

Community and technical colleges provide self-supporting educational programs through contract-funded courses paid for by employers or social service agencies for the benefit of their employees or clients. Examples of contract-funded courses include: the Running Start program for high school students; tuition and training for WorkFirst clients; prison inmate literacy and skills programs; instruction for international student organizations; and tailored job and skills training for local businesses. Federal student financial aid, such as Pell grants, Supplemental Education Opportunity Grants, federal work study, and Perkins vocational grants, is also included in this activity. (Institutions of Higher Education-Grants and Contracts-Nonappropriated)

HIGHER EDUCATION

Developmental Education (State Supported)

Developmental education courses are academic in nature and prepare students for college-level courses. The students in these courses are taking credits necessary to qualify for college-level math, English, etc. More than 80 percent of the students in these classes have been out of high school for more than three years. (Institutions of Higher Education-Operating Fees Account-Nonappropriated)

Student-Funded Courses

Community and technical colleges provide self-supporting educational programs through student-funded classes. Most of these courses are offered to students who are not attending college for the purpose of a degree or certificate. The courses are taken to supplement and enhance existing job skills or for personal enrichment. (Institutions of Higher Education-Dedicated Local Account-Nonappropriated)

Workforce Education (State Supported)

Workforce education provides occupational and technical/vocational training to prepare students for careers in a competitive work force. Examples of programs offered include: Administrative Support, Construction Trades, Data Processing/Information Technology, and Nursing. (Institutions of Higher Education-Operating Fees Account-Nonappropriated)

Compensation Cost Adjustment

This item reflects proposed compensation and benefit cost adjustments that were not allocated to individual agency activities. The agency will assign these costs to the proper activities after the budget is enacted.